

Top 10 Reasons Why You Want a Project Manager as Your Owner's Representative

Here are some of the top reasons you should always have a professional owner's representative in your corner—even if your contractor claims to handle it all.

- 1. Saving Money. This is a true stewardship issue.** Most for-profit developers would never enter into any significant real estate project without controls on how the money is spent. But often church development is driven by design only. Although churches do need to have nice designs, the design and the construction budget should be driven by program needs. A good owner's representative with a strong background in church development will be able to keep the construction budget and costs under control. Our goal is to save your church far more than what is paid for our services.
- 2. Uniqueness of Churches.** Church organizations stand alone in their need for the most unusual types of construction projects:
 - **Assembly Areas.** There is a high degree of scrutiny by the governing agencies because church projects typically include large assembly areas. Assembly areas must comply with strict life/safety laws and regulations, and even minor changes can cause lengthy approval delays.
 - **Program Needs.** Church development is ultimately driven by your program needs, and building construction must fulfill those requirements to be successful.
 - **Aesthetics.** Church development offers significant opportunities to present unique design elements. Because the entire congregation will inspect and scrutinize the work of contractors and consultants, no detail can be overlooked.
 - **Donor Scrutiny.** Since church construction is usually funded by tithes and offerings, every dollar that is spent is carefully critiqued, reviewed and subject to questions by the donors. Budgetary controls are vital to prevent ill feelings among those sensitive in this area.
- 3. Strategic Planning. A qualified owner's representative** can help your church with planning through the CUP phase and, more importantly, through the design phase. If your church has a phased program, as most churches do, much of what is done today will impact future building programs tomorrow. Campus development and master planning should be done with sound budget advice and experienced counsel.

Many churches, for example, try to include their sanctuary and all of the ancillary programs within one structure. As the program grows, so do the single structure, and the costs can quickly escalate out of control. Why? Because the sanctuary assembly space may cause the entire building to be rated for assembly code compliance. One solution that our clients have embraced is to control those issues by planning for the assembly space in one structure, while adding separate buildings for education, Sunday school, dining, etc. These buildings can be constructed for far less than typical sanctuary space, and allow for a phased development plan.

- 4. Team Coordination that Works. Someone needs to keep the team accountable.** Thirty years of experience in this area has shown us that often one or more consultants will not fully understand the mission or the schedule, resulting in significant time and money being lost. We offer our clients valuable knowledge on how to manage the decision making process.

We have observed different strategies for the development of church building projects, and not all of them work well. We believe an owner's representative should actively participate and lead in this area. To that end, we gather insights from the staff, the building committee, the decorating committee, and those individuals who have the authority to make day to day decisions. On occasion, a church employee with day to day authority works with the owner's representative's personnel in a consulting role.

- 5. Integrated Expertise. Finding a single person who can wear the many hats** necessary to lead a successful construction and development project is no easy task. That's why our team approach brings construction, design, financing, and legal expertise from our in-house resources. We bring expertise across many professions in ways that will save significant dollars for the church.

It is not unusual for us to write and administer as many as 50 contracts for a church project. These contracts are typically for consultants (architects, engineers, deputy inspectors), all areas of construction loan documents, Request for Proposals, and city entitlement documents. We are able to perform these services because we have in-house legal expertise available for that purpose. We also have in-house architectural and engineering expertise to perform peer reviews and to assist the church architect. The bottom line is that our fee structure is far less expensive than individual third party consultants and we are more effective since we pool our expertise under one roof. We understand the needs and mission of the church from all perspectives.

6. Timely Scheduling. Scheduling is one of the most important functions of the owner's representative.

Often the planning process and the scheduling of consultants are overlooked, with too much focus placed on construction. Once the coordination of schedules falls apart, delays set in and costs begin to soar. Experience has shown us that delays are often caused by a failure to coordinate the responsibilities of architects, engineers, city and other governmental agencies. Schedules should be initiated at the planning stage to insure timely commencement and conclusion of services. This alone can save you headaches and money.

7. Owner Provided Items. Churches and donor-based organizations, more than any other project owner, have a high incidence of owner supplied items in their construction projects. These may be in form of separate design services (interiors, AV, security, and telephone/data are typical) or direct procurement of items, such as sanctuary seating. Sometimes gifts in kind need to be managed and integrated into the process. The contractor typically does not want any responsibility for these items; it is not part of its fee structure. Someone needs to be in charge of all of the many facets of integrating the owner's work with the work of the contractor.

It is not unusual to have as many as 30 owner provided contract items to coordinate and supervise. Typical direct owner contracts include specialty interior items like wallpaper, tile, marble, site preparation, grading, paving, stained or other special glass, acoustic panels, auxiliary feeds, TV production, stage lighting, and water features. The total dollar amount for these items can be in the millions, but there is intangible value as well – the goodwill of the donors who want to contribute now and in the future. An effective owner's representative will not only have to coordinate and supervise this particular work, but also need to interface with the church staff and the building contractor.

8. Scrutiny of Invoices. The biggest single monetary mistake that is made with church consultants and contractors is allowing them to be paid for work that is not yet completed. A very critical function of the owner's representative is to review and process periodic billings from consultants and contractors. A qualified person needs to be in charge of the review and approval of all billings, one who is trained to discern the extent of completed work and determine reasonableness of payment. When changes and extras are presented someone needs to be able to determine if the work really is extra or included with the scope of the base contract. Experience has shown that although architects will offer this service in reviewing contractor billings, they are really not best suited to provide the extensive review that you would receive from a qualified project manager that also has construction experience and expertise.

9. Navigating City Requirements. The entitlement process must be properly managed to insure that mistakes are not made early in the life of the project. Upon the approval of drawings and commencement of construction, significant issues will be raised that need to be addressed. The fee structure for many cities is not always clear when it comes to churches. Sometimes cities do not even have a planning category for churches. Some will consider them assembly halls, while others see them as arenas or office buildings. Parking requirements vary by municipality, and variances are often sought by churches that need to be addressed carefully. These issues need to be considered not merely in the context of design, but also with regard to budget and church program needs. A qualified owner's representative will be able to advocate on behalf of the church to insure that no excessive fees are paid or needless work is performed.

10. Lender Financing Requirements. Lenders usually want a qualified owner's representative in place to assist the church in its development and construction endeavors. Many church lenders are familiar with the unique and complex aspect of church construction and will demand that a qualified owner's representative be part of the team. This is one area where mistakes cannot be made since the loan amounts, ratios and terms obtained and approved cannot be easily changed. Care and guidance should be given to the lender's application and requirements as the project advances, especially if any changes are contemplated. A responsible owner's representative will insure success in meeting the lender's needs while negotiating terms beneficial to the church.